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LAW OFFICES

JOHN D. HEFFNER, PLLC

1750 K STREET, N W SUITE 200

WASHINGTON. D.C. 20006 PH: (202) 296-3333

FAX: (202) 296-3939

December 5, 2008

Ms. Anne K. Ouinlan Acting Secretary Surface Transportation Board 395 E Street, SW Washington, DC 20423

**VIA ELECTRONIC FILING** 

STB Finance Docket No. 35141 U S Rail Corporation - Construction and Operation Exemption - Brookhaven Rail Terminal

Dear Ms. Quinlan,

Petitioner U S Rail Corporation ("U S Rail") hereby submits for electronic filing this Supplement to the Construction and Operation Exemption Petition filed in this matter August 7, 2008, together with the December 5, 2008 Verified Statement of Gabriel Hall, Site Plan, and Service Certification.

We thank the Board for its time and consideration.

Respectfully submitted, John D. Heffner, PLLC

me, AM Savage
By: James H. M. Savage

Of counsel

JHS/mhd

Enc.

cc: Jessica Driscoll, Esq. (w/enc.) Robert A. Ryback (w/enc.)

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Part of Public Record

# BEFORE THE SURFACE TRANSPORTATION BOARD

#### **STB FINANCE DOCKET NO. 35141**

# U S RAIL CORPORATION -- CONSTRUCTION AND OPERATION EXEMPTION -BROOKHAVEN RAIL TERMINAL

# SUPPLEMENT TO PETITION OF US RAIL CORPORATION

# Submitted By:

John D. Heffner John D. Heffner, PLLC 1750 K Street, NW - Suite 200 Washington, DC 20006 Tel. (202) 296-3334

James H. M. Savage 1750 K Street, NW – Suite 200 Washington, DC 20006 Tel. (202) 296-3335 Of Counsel

Attorneys for Petitioner US Rail Corporation

Dated: December 5, 2008

### BEFORE THE SURFACE TRANSPORTATION BOARD

#### STB FINANCE DOCKET NO. 35141

# U S RAIL CORPORATION - CONSTRUCTION AND OPERATION EXEMPTION -BROOKHAVEN RAIL TERMINAL

# SUPPLEMENT TO PETITION OF U S RAIL CORPORATION

# INTRODUCTION AND PROCEDURAL HISTORY

On August 7, 2008, U S Rail Corporation ("U S Rail"), an Ohio-based Class III short line rail carrier, filed a Petition seeking an exemption under 49 U.S.C. 10502 from the prior approval requirements of 49 U.S.C. 10901 to construct and operate a new line of railroad FN1 and related rail facilities on a 28 acre site to be known as the Brookhaven Rail Terminal FN2 in the Town of Brookhaven ("the Town"), Suffolk County, NY. By Decision issued November 4, 2008 ("November

FN1 Hereafter the "Brookhaven Rail Line"

FN2 Hereafter the "BRT" or "the Terminal"

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4th Decision"), the Board instituted a proceeding in this matter, directing U S Rail to supplement its petition by December 5, 2008, with additional information clarifying in greater detail the proposed construction and operation of the BRT. The Board requested clarification of the following points: What are the "rail related facilities" that petitioner plans to construct and operate? Who will be constructing these facilities? What activities will be performed in these facilities? Who will be performing these activities? In addition, U S Rail was instructed to specify the rail facilities it intends to construct and describe the proposed operations in detail.

U S Rail submits in response to the Board's directive the verified statement of U S Rail President Gabriel D. Hall ("Hall VS") dated December 4, 2008, together with an annotated Site Plan ("Exhibit A") answering each of the Board's questions in detail.

## STATEMENT OF FACTS

Briefly, U S Rail seeks Board authority to construct and operate a rail yard consisting of a new line of railroad and related rail facilities that will be known as the Brookhaven Rail Terminal. The Terminal will be located in the Town on a 28 acre site ("Site") owned by Sills Road Realty, LLC ("Sills Realty") and under a long-term lease ("Lease"), to U S Rail. See, Hall VS at 1. The Site is located within an area of the Town zoned for industrial and commercial economic

development and specifically designated under New York law as an "Empire Zone". FN3 The site plan for the Terminal is attached as Exhibit Hall-1 ("Site Plan"). The BRT will be bounded on the north by a major east-west highway known as the Long Island Expressway and on the south by the mainline of the Long Island Rail Road ("LIRR") which extends from Long Island City to Greenport, NY. The BRT will be bounded on the east by a Long Island Power Authority Right of Way and on the west by Sills Road. U S Rail will interchange traffic with the New York & Atlantic Railway Co. ("NY&A") FN4 for movement to or from the national rail system.

The Lease obligates U S Rail to construct and install the Line and Terminal substantially in accordance with the Site Plan and, once constructed, to operate and maintain the Line and Terminal during the Lease term. The rail facilities will principally consist of a connecting switch ("LIRR Switch") to the Main Line track of the LIRR at approximately Mile Post 57 and about 11,000 linear feet of track ("Terminal Track") laid out within the Terminal as set forth in the Site Plan. The track leading into the BRT includes a 200 foot long lead track that fans out into

FN3 The Town's Empire Zone was created in 1994 with the purpose of offering special state tax incentives to businesses willing to relocate to or expand their existing operations within the Town.

FN4 The LIRR which historically provided freight service over its lines franchised its freight service to the NY&A.

two main tracks which in turn branches into a series of stub-ended sidings. See, Hall VS at 3.

U S Rail will market and operate The Terminal as a common carrier railroad facility open to the public. The Terminal has been designed to handle a variety of rail freight modalities, including shipments of bulk commodities, intermodal container transfers between rail cars and trucks and transloading operations. In addition to and related to the Terminal Trackage, U S Rail will construct and operate facilities at the Terminal to accommodate these modalities. See, Hall VS at 2.

Initially, rail service for the BRT will consist of a twice weekly dedicated through train or block of cars consisting of approximately 40 to 50 cars of inbound crushed aggregate stone. CP Rail will handle this train from its origin near Saratoga, NY, to the point of interchange with the NY&A at Fresh Pond, NY, using its trackage rights over CSX Transportation's Hudson Division. NY&A will in turn transport this traffic to the BRT on the LIRR's mainline line that terminates at Greenport, NY. Upon arrival at the switch lead into the BRT, the NY&A will interchange the eastbound traffic to U S Rail, which will haul the cars into the Terminal. U S Rail will then break and sort the train, switching and spotting cars for delivery. U S Rail will thereupon transload the freight from rail cars to trucks for transport to its final destination. Once the cars are unloaded, U S Rail will

reassemble the cars into a westbound train to be interchanged back to the NY&A for movement from the BRT. See, Hall VS at 6.

## **LEGAL ARGUMENT**

The basic issue posed by the Board's November 4<sup>th</sup> Decision is whether the proposed construction is subject to the Board's entry jurisdiction under 49 U.S.C. 10901. For the reasons enumerated below, U S Rail believes that it is and requests that the Board expeditiously process its request for an exemption allowing it to construct and operate the Brookhaven Rail Line and related facilities.

This inquiry presents three questions: (1) whether the subject rail facilities constitute private track outside the Board's regulatory jurisdiction but subject to state and local permitting requirements or common carrier track subject to the jurisdiction of the Board, (2) whether the proposed project constitutes transportation by a rail carrier subject to Board jurisdiction, and (3) if the Board finds that BRT's proposal is subject to its jurisdiction, whether the track and facilities that are the subject of this Petition constitute a "line of railroad" for which U S Rail must obtain such construction authority under 49 U.S.C. 10901 or spur, industrial, team, switching, or side tracks exempt from Board's licensing requirements under 49 U.S.C. 10906. We will address each separately.

Private versus common carrier track. This proceeding involves the construction, lease and operation of a Line of Rail by a common carrier, U S Rail.

Hanson Natural Resources Company – Non-Common Carrier status – Petition for a Declaratory Order, Finance Docket No. 32248 (ICC served Dec. 5, 1994) squarely addressed the issue of whether track such as that involved here is private or common carrier track. That proceeding involved the acquisition and operation of a newly constructed rail line by a mining company and noncarrier with service to be provided by both a rail customer as a private carrier [Western Fuels] and a common carrier railroad [the Santa Fe Railway]. As relevant here, the ICC stated:

"A railroad is a common carrier railroad if it purports to hold itself out as a common carrier for hire and if there is an ostensible and actual movement of traffic for the public for hire. The principal test is whether there is a bona fide holding out coupled with the ability to carry for hire," citing Northern Plains Railroad Company – Construction and Operation Exemption, Finance Docket No. 32077 (ICC served Dec. 28, 1992) ("Northern Plains"). The Commission also ruled that a railroad is a private carrier railroad if its railroad operations are performed solely as an arm of its or an affiliates non-transportation business. The Commission further noted that the carrier in Northern Plains was a private carrier because it carried the freight of its corporate affiliate and did not carry or hold itself out to carry the freight of any other shipper for compensation. Slip op. at 16, 18-9. See, e.g., B. Willis, C.P.A., Inc. – Petition for Declaratory Order, STB Finance Docket No. 34013 (STB served Oct. 3, 2001), aff'd per curiam, B. Willis, C.P.A., Inc. v.

STB, No. 01-1441 (D.C. Cir. Nov. 26, 2002), cert. denied, 72 U.S.L.W. 3235 (Oct. 7, 2003) (No. 02-1498); American Orient Express Railway Company LLC—Petition for Declaratory Order, STB Finance Docket No. 34502 (STB served Dec. 29, 2005); and H&M International Transportation Inc. petition for Declaratory Order, STB Finance Docket no. 34277 (STB served November 12, 2003) ("To be considered a rail carrier under the statute, there must be a holding out to the public to provide common carrier service"). U S Rail is an existing common carrier with operations in Ohio. Upon completion of the proposed construction and start up of operations, U S Rail will takeover a movement of aggregate that presently moves partly by rail and truck transload for the account of Sills Road Realty and will solicit the public for numerous other kinds of freight as well. It meets the classic test of a common carrier "holding out" of service.

Does the proposed activity - the services to be rendered by U S Rail at the BRT - constitute "rail transportation," The Board has jurisdiction over "transportation by rail carrier." 49 U.S.C. 10501(a). The term "transportation" is broadly defined to include a facility related to the movement of property by rail, and services related to that movement, including receipt, delivery, transfer, and handling of property. New England Transrail, LLC. d/b/a Wilmington & Woburn Terminal Railway—Constructio, Acquisition and Operation Exemption—In Wilmington and Woburn, MA, slip op. at 2 ("New England Transrail"); 49 U.S.C.

10102(9)(A), (B). A "rail carrier" is defined as "a person providing common carrier railroad transportation for compensation." 49 U.S.C. 10102(5). And whether a particular activity constitutes transportation by rail carrier under section 10501 is a fact-specific determination. New England Transrail slip op. at 10-1. Thus, under the statute, "transportation" is not limited to the movement of the commodity while it is aboard a rail car, but includes such activities as loading and unloading material from rail cars and temporary storage. Id. at 9-11. For the reasons expressed herein, U S Rail submits that each and every activity to be undertaken by it at the Brookhaven Rail Terminal will qualify as "transportation" within the meaning of 49 U.S.C. 10102(9)(A).

The operations to be performed at BRT by U S Rail will include the interchange of freight rail cars with the NY&A, the delivery of rail cars to the BRT over a 200 foot lead track, loading and unloading of rail cars, the storage of rail freight prior to loading or after unloading, as well as the transfer of rail freight between trucks and rail cars. Additionally, U S Rail intends to market the Line and Terminal to the public as a common carrier facility for handling freight all kinds, including bulk and containerized freight. See, Hall VS at 3.

The activities U S Rail intends to perform at the BRT are on par with those the Board has previously accepted as constituting "rail transportation". See, New England Transrail, slip op. at 10; Green Mountain R.R. Corp. v. Vermont, 404 F.3d

638, 643 (2d Cir. 2005); (transloading and temporary storage of bulk salt, cement, and non-bulk goods such as steel pipes); N.Y., Susquehanna & W. Ry. v. Jackson, No. 05-4010, 2007 WL 576431, at \*18 (D.N.J. Feb. 21, 2007) (C&D storage. transloading, and extraction of materials from waste piles during the loading process), appeal docketed, No. 07-1675 (3d Cir. filed March 16, 2007); Coastal Distribution, LLC v. Town of Babylon, No. 05-CV-2032, 2006 WL 270252, at \*6-7 (E.D.N.Y. Jan. 31, 2006) (C&D storage and transloading), aff'd as modified, 216 Fed. Appx. 97 (2d Cir. 2007); Canadian Nat'l Rv. v. City of Rockwood, 2005 WL 1349077, at \*6 (E.D. Mich. June 1, 2005) (transloading of C&D debris from rail to truck); Norfolk S. Rv. v. City of Austell, 1997 WL 1113647, at \*6 (N.D. Ga. Aug. 18, 1997) (transferring containers or trailers of cargo part of rail transportation); Tri-State Brick and Stone of New York, Inc. et al.—Petition for Declaratory Order, STB Finance Docket No. 34824, slip op. at 2, 3 (STB served Aug. 11, 2006) (Tri-State) (unloading rail cars, storing brick and stone products on the ground, and loading those products on customer and common carrier trucks part of rail transportation), pet. for review pending, sub nom, Tri-State v. STB, No. 06-1334 (D.C. Cir. filed Sept. 22, 2006); Joint Petition for Declaratory Order—Boston and Maine Corporation and Town of Ayer, MA, STB Finance Docket No. 33971, slip op. at 8 (STB served May 1, 2001) (Town of Ayer), aff'd, Boston & Me. Corp. v.

Town of Aver, 191 F. Supp. 2d 257 (D. Mass. 2002) (unloading automobiles from rail cars).

Is the BRT a "line of railroad" whose construction and operation is subject to the licensing requirements of 49 U.S.C. 10901 or an "exempt spur" under 49 U.S.C. 10906? Assuming the Board finds, as it should, that the BRT track and facilities are common carrier facilities subject to Board jurisdiction, the last inquiry is whether U S Rail must obtain construction authority or is the track exempt from those entry requirements.

The Board has intimated that it believes this construction is subject to its jurisdiction. See, November 4th Decision, slip op. at 2 ("It does appear that at least a portion of this project – U S Rail's construction and operation of 200 feet of track from the connection with the LIRR to the BRT – would be subject to the Board's jurisdiction pursuant to 49 U.S.C. 10901"). The determination as to whether a specific piece of track is a "line of railroad" or a "spur" depends upon both the use of the track and the nature of the track. Agency precedent identifies a number of factors indicative of whether a track segment is "a line of railroad" or "a spur" but states that no one criterion is determinative. See, CNW-Aban, Exemp.—In McHenry County, IL, 3 I.C.C.2d 366 (1987), rev'd on other grounds sub nom. Illinois Commerce Comm'n v. ICC, 879 F.2d 917 (D.C. Cir. 1989), listing several factors including track length, whether the track is stub-ended, whether the

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contemplated operations will invade the territory of another railroad or expand the involved market, and whether the operations will initially serve only one shipper. More significantly, the Supreme Court has held that the track will be considered a "line of railroad" if the "purpose and effect is to extend substantially the line of a carrier into new territory" not served by the carrier or already served by another carrier. Texas & Pac. Ry. v. Gulf, Etc., Ry., 270 U.S. 266, 278 (1926). In this case, the purpose of the proposed construction and operations is to allow U S Rail to serve new shippers. The track cannot reasonably be viewed as used for a purpose ancillary to the service that U S Rail is already authorized to provide, because the proposed construction and operations will be located hundreds of miles from US Rail's existing operations in Ohio. By comparison, track segments that are merely incidental to, and not required for, a railroad's services between points of shipment and delivery are spur tracks exempted from the Board's licensing requirements. Nicholson v. ICC, 711 F.2d 364 (D.C. Cir. 1983), and New Orleans Terminal Co. v. Spencer, 366 F.2d 160 (5th Cir. 1966). The fact that about 200 feet of lead tracks would be used for the through operation of completed trains between national rail system and the BRT coupled with the fact the BRT would enable U S Rail to serve a new territory and market far removed from its existing service all compel the conclusion that this track is subject to Board licensing authority. Although agency precedent does not require U S Rail to obtain Board

authority to construct or operate facilities ancillary to its line of railroad, U S Rail may build and operate such facilities that are integrally related to its rail operations free from state or local permitting requirements. To be within the Board's jurisdiction, a facility must be closely related to, and indeed part of, a railroad's ability to provide direct rail service. Hi Tech Trans, LLC-Petition for Declaratory Order-Hudson County, NJ, STB Finance Docket No. 34192, slip op. at 4 (STB served Nov. 20, 2002).

## **CONCLUSION**

For the above stated reasons and based upon the above cited points and authorities, Petitioner U S Rail Corporation requests the Board grant its Petition conferring construction and operating authority for the proposed Brookhaven Rail Terminal.

Respectfully submitted,

Idhn D. Heffiner

John D. Heffner, PLLC

1750 K Street, N.W.-Suite 200

Washington, D.C. 20006

(202) 296-3334

Attorney for Petitioner U S Rail Corporation

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James H. M. Savage, Esq. 1750 K Street, N.W.-Suite 200 Washington, D.C. 20006 (202) 296-3335

Of counsel

Dated: December 5, 2008

#### CERTIFICATION OF PROOF OF SERVICE

I certify that I served this day by ordinary mail a true copy of the within pleading upon all parties to this matter as per the accompanying service list.

James H. M. Sawage

Dated: December 5, 2008

#### SERVICE LIST

Party of Record: Mark A. Cuthbertson & Jessica P. Driscoll

Town of Brookhaven Law Offices of Mark A. Cuthbertson

434 New York Avenue Huntington, NY 11743

Party of Record: Robert A. Rybak
New York State 50 Wolf Road

Department of Transportation Albany, NY 12232

#### VERIFIED STATEMENT OF GABRIEL D. HALL

I, Gabriel D. Hall, of full age, state the following, under penalty of perjury:

I am the President of U S Rail Corporation ("U S Rail"), an existing class III common carrier railroad having its principal place of business in Toledo, OH and operating as a common carrier in south central Ohio. I am fully familiar with the facts and circumstances of this matter from my personal knowledge.

I submit this verified statement affidavit in response to the Board's November 4, 2008 Decision ("November 4<sup>th</sup> Decision") directing U S Rail to supplement its August 7, 2008 construction and operation exemption petition by December 5, 2008.

In its November 4<sup>th</sup> Decision the Board sought further information from U S

Rail regarding the following subject areas:

- 1. What is the Brookhaven Rail Terminal ("BRT" or "the Terminal")?
- A. In response to the inquiry put forth by the Board in Footnote 2 on page 2 of the November 4<sup>th</sup> Decision, the BRT is the name given by petitioner to the proposed facility which will occupy the entire 28 acre site ("Site"). More specifically, the BRT is a rail yard that will be a multi-purpose rail facility located in the Town of Brookhaven, Long Island, New York ("Town") which is owned by Sills Road Realty, LLC ("Sills") and leased, under a long-term lease ("Lease"), to U S Rail.

The Site is located within an area of the Town zoned for industrial and commercial use and specifically designated under New York law as an "Empire Zone." The Town's Empire Zone was created in 1994 with the purpose of offering special state tax incentives to businesses to relocate or expand their operations in the Town. The Site Plan for the Terminal is attached as Exhibit A ("Site Plan"). In addition to favorable zoning, the Site was chosen for its proximity to both rail and truck transportation, existing road infrastructure and the absence of any adjoining residential or community development. The western border of the Site, Sills Road is a four-lane Suffolk County ("County") highway which forms an exit from the Long Island Expressway ("LIE"). The LIE, which forms the northern border of the Site, is an artery of the interstate highway system and the main route for east-west truck traffic on Long Island. The entrance to the Site is approximately [600] feet from the intersection of the LIE and Sills Road. County improvements to Sills Road over the years have included curb cuts and storm water drainage basins at the entrance to the Site, as well as traffic control devices and separate deceleration lanes for traffic turning in to the Site. The southern border of the Site is the main line of the Long Island Rail Road ("LIRR"), a division of the Metropolitan Transit Authority which provides commuter passenger service. The LIRR has franchised rail freight operations over its system to New York & Atlantic Railway ('NY&A").

# 2. What are the proposed operations of the BRT?

A. The operations to be performed at BRT by U S Rail will include the interchange of freight rail cars with the New York & Atlantic Railway ("NY&A") as described below, the delivery of rail cars to the BRT over a 200 foot lead track, loading and unloading of rail cars, the storage of rail freight prior to loading or after unloading, the transfer of rail freight between trucks and rail cars. Additionally, U S Rail intends to market the Line and Terminal to the public as a common carrier facility for handling freight all kinds, including bulk and containerized freight. At the outset, BRT is expected to handle crushed stone, cement and similar commodities; lumber, drywall and similar building materials, appliances, automobiles, asphaltic cement, plastic pellets and chips, resins fid various food grade commodities.

US Rail's operations at the BRT will constitute penetration of new territory not previously served by US Rail. Under the Lease, US Rail is obligated to construct and install the Terminal substantially in accordance with the Site Plan and, once constructed, to operate and maintain the Terminal during the Lease term. The rail facilities will principally consist of a track switch ("LIRR Switch") to be installed in LIRR main line track at approximately Mile Post 57 and approximately

11,000 linear feet of track ("Terminal Track") arranged within the Site as set forth in the Site Plan.

The Terminal has been designed to handle a variety of rail freight modalities, including shipments of bulk commodities, intermodal container transfers between rail cars and trucks and transloading operations, and, in addition to and related to the Terminal Trackage, U S Rail will construct and operate rail facilities at the Terminal to accommodate these modalities.

- 3. What rail and "related rail facilities" will U S Rail construct and operate?
- A. The rail facilities to be constructed will consist of the LIRR Switch to be installed connecting to the LIRR Main Line track at approximately Mile Post 57 and approximately 11,000 linear feet of track laid out within the Terminal as set forth in the Site Plan. The Terminal Track will consist of 100 pound minimum rail (including #1 relay rails, joint bars, tie plates and rail anchors, new ties, spikes, bolts, nuts and lock washers), #8 turnouts with 100 pound (minimum) #1 relay material and related 7"x 9" timbers and switch stands with ergonomic handles, lockable hinge-type derails, lockable sliding style derails with switch timbers, switch stands, latches and connecting rods and bumper blocks at the ends of the tracks.

The "rail related facilities" to be constructed by U S Rail at the Terminal will consist of a dumping pit to be constructed beneath the Terminal Track in Area A as detailed in the Site Plan, into which bottom-dump hopper cars containing crushed stone and other aggregate material or similar commodities will be emptied. Conveyors will be installed to move these commodities from the dumping pit into storage areas which will segregate the commodities by type and size. These storage areas will be constructed with poured concrete or concrete block walls open at either end to facilitate delivery of commodities into the storage areas and subsequent reloading into trucks for local delivery. U S Rail will also construct and operate scales and a scale house, shown as Area B on the Site Plan, related to these bulk commodity operations.

Intermodal transfer of containerized freight between rail cars and trucks will be handled at Area C on the Site Plan. Inbound freight will be off-loaded from trains spotted on the Terminal Track in Area C for loading onto local delivery trucks or for temporary on-site storage at the Terminal; while outbound freight will similarly move from trucks to trains or into temporary storage. Based on the Site Plan, U S Rail estimates that Area C is of sufficient size to accommodate temporary storage of approximately 250 containers prior to further rail or truck shipment.

Transloading of material from trucks to rail cars will be handled at Area D as shown on the Site Plan. An elevated loading dock alongside the Terminal Track at Area D will be constructed and operated by U S Rail within an approximately 100' wide x 200' long x 40' high membrane and steel-framed building.

The Site Plan further contemplates construction of an approximately 60' x 40' bridge (shown as Area E on the Site Plan over a portion of the Terminal Track to provide vehicular access to the Site.

So as to construct the Terminal in compliance with sound railroad engineering principles and practices, and applicable Federal regulations, the Site must be graded to the elevation of the existing LIRR Main Line track. This will require extensive excavation and grading of the entire Site and, as a consequence, the finished elevation of the Terminal will be approximately 20' below the elevation of the entrance to the Site at Sills Road.

So as to have sufficient Terminal Trackage for storage of rail cars, a bridge over the Terminal Tracks and a roadway leading down to the operating level of the Terminal is required. The bridge and connecting roadways are shown at Areas E and G on the Site Plan. The Site Plan also provides for construction and installation of appropriate screening, lighting, fencing, waste and storm water collection facilities in accordance with applicable local building code requirements.

4. Who will be constructing the BRT?

A. Under the Lease, U S Rail is obligated to construct and install the Terminal, except for the LIRR Switch, which shall be installed by the LIRR, substantially in accordance with the Site Plan and, once constructed, to maintain and operate the Terminal during the Lease term. U S Rail shall enter into a subcontract for the physical construction of the Terminal. U S Rail had previously entered into a contract to construct the Terminal. U S Rail is in the process of soliciting new bids for the Terminal construction subcontract.

- 5. What activities will be performed in the BRT?
- A. Initially, rail service at the BRT will consist of a twice weekly dedicated train, or block of cars on a CP Rail/NY&A through train consisting of approximately 40 to 50 cars of inbound crushed aggregate stone. NY&A will transport this traffic to the BRT on the LIRR line that terminates at Greenport, NY. Upon arrival at the switch lead into the BRT, the NY&A will interchange this traffic to U S Rail, which will haul the cars into the Terminal. U S Rail will then break and sort the train, switching and spotting cars for delivery. U S Rail will unload the freight from rail cars, move stone to the applicable storage area, and as needed, load the freight to trucks for transport to its final destination. Once the cars are unloaded, U S Rail will reassemble the cars into a train to be interchanged back to the NY&A for movement from the BRT.
  - 6. Who will perform these activities?

Pursuant to its lease agreement with Sills, U S Rail anticipates that it will be performing all rail-related transportation activities at the BRT, with certain periodic Line and Terminal maintenance activities subcontracted to others from time to time as the need may arise.

US Rail will own the locomotive(s) used to interchange cars with NY&A.

US Rail anticipates that a majority of the rolling stock other than locomotives will be privately owned by shippers or by foreign railroads.

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### **VERIFICATION**

Pursuant to 28 U.S.C. 1746, I declare and verify under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed on: December 5, 2008.

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Gabriel D. Hall

# **EXHIBIT A**

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